

# RFMD's record sales up 17.5%, driven by high-value products

Fiscal Q3/2006 sales (to end December 2005) for RF Micro Devices Inc of Greensboro, NC, USA were \$208m, up 17.5% on the prior quarter's \$177m and 23.1% on \$168.9m a year ago. This was driven by market share gains for power amplifier modules, transmit modules, and Polaris Total Radio transceivers for cellular handsets. Polaris sales grew 78% to 17% of total revenues. Net income was \$14.7m, up from \$5.9m last quarter and \$0.6m a year ago.

For the March quarter, RFMD expects sales up 33-43% year-on-year to \$200-215m, outpacing handset industry growth due to market share gains and sales of higher-dollar-content products (transceiver and transmit modules). It expects particular strength in CDMA, GSM/GPRS and GSM/GPRS/EDGE due to new

product launches, recent design wins, and positive momentum from leading customers.

"Based on backlog and forecasts from multiple customers, we expect Polaris sales will continue to grow sequentially, which should offset most, if not all, handset seasonality," said Bob Bruggeworth, president and CEO. "Beyond March, we anticipate continued growth in transceivers and expect both new and existing customers to continue to adopt our Polaris solutions, including our next-generation, single-chip CMOS EDGE transceiver," he added.

"Cash flow from operations was \$17.8m, and our cash position during the quarter improved, even as the company made substantial capital investments in assembly and fab capacity," said Dean Priddy, CFO and VP of administration.

\* RFMD is to expand its internal assembly capacity in Beijing (which only started last year) by 50% in the June quarter, to about 25% of requirements. Previously, RFMD outsourced all assembly. It has strengthened its supply chain and reduced manufacturing costs, RFMD says.

"This expansion will have a meaningful impact to both our ability to meet customer demand and reduce our cost structure," said Jim Stilson, VP of operations. "With assembly and test located in the same building, we get the additional benefit of reduced cycle time and lower inventory carrying cost."

"Our in-house assembled products have lower manufacturing costs, allowing improved gross margin versus components assembled by third parties," added Priddy.

[www.rfmd.com](http://www.rfmd.com)

## Anadigics grows sales 14%, halves loss

Wireless and broadband IC maker Anadigics Inc has reported Q4/2005 sales of \$33.3m, up 14% on \$29.3m the previous quarter and up 49% on \$22.4m a year ago. Net loss was cut from \$10.3m a year ago and \$6.8m last quarter to \$3.9m.

For 2005, sales were \$108.3m, up 18% on 2004's \$91.4m. Net loss was cut from 2004's \$43.1m to \$31.2m. At the end of 2005, cash reserves were \$86.4m, compared with \$87.2m the previous quarter.

"We expect financial leverage resulting from both a margin enriched product mix as well as anticipated improved fab utilisation to further improve our operating performance in 2006," said Tom Shields, executive VP and CFO.

President and CEO Bami Bastani believes the "considerable financial progress achieved in Q4/2005" represents an "inflection point" in the business. He adds, "I expect our market share expansion in GSM/GPRS, EDGE and 3G WEDGE wireless handsets and 3G embedded applications coupled with continued growth and the strong position of our broadband products in the WLAN, integrated tuner IC, and CATV infrastructure markets, to further enhance our market leadership and results of operations in 2006".

Net sales for Q1/2006, which is typically down seasonally, are estimated to be flat to up 5% sequentially, but up 53-61% on a year ago.

\* Anadigics' web-site now includes an online store to provide a channel for ordering product samples of GSM/GPRS, CDMA, and WCDMA power amplifiers, base-station amplifiers, and RF switches.

"Manufacturers are under increasing pressure to reduce design time as product lifecycles continue to diminish in the handset market," said Jennifer Palella, senior director of Worldwide Marketing and Distribution Sales. "Anadigics has responded to this trend by offering a quick and convenient channel for design engineers, technicians, and purchasing agents to order samples of our high performance products, thereby helping manufacturers decrease time-to-market."

[www.anadigics.com](http://www.anadigics.com)

## Funds for GaN RF program

RFMD is receiving \$1m for its GaN RF Power Technology program, as part of appropriations in a US defense spending bill. The project aims to develop improved radio frequency and performance, and is coordinated between RFMD and the Navy Center of Excellence for Electric-Optics Manufacturing at Penn State University.

## Skyworks' core sales up 10%

Skyworks Solutions Inc of Woburn, MA, USA had revenues of \$198.3m for fiscal Q1/2006 (to end December), down 10% from \$220.2m a year ago but up 4% from \$190.2m the prior quarter. Cellular baseband product sales were \$17.8m (down from \$26.5m), reflecting "a shift from tier-three suppliers to leading handset OEMs". But RF solutions and linear product sales were \$180.5m, up 10% on last quarter's \$163.7m, signaling "growing demand for our newest semiconductor solutions," said CEO David J. Aldrich.

"Our Helios EDGE radios are now supporting the majority of top-tier OEMs, with aggressive ramps ongoing at LG, beginning at Samsung, and to be followed later this year at Motorola," Aldrich adds. "Our WCDMA front-end module and multimode radio traction, coupled with the launch of our newest precision analog solutions, are setting the stage for a strong second-half 2006."

Despite handset market seasonality of a 10-15% sequential unit decline, Skyworks forecasts March-quarter sales down only 9% to \$180m, driven by capturing increasing semiconductor content per platform.

[www.skyworksinco.com](http://www.skyworksinco.com)